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MAY 21 1951

Honorable J. Edgar Hoover  
Chairman, Interdepartmental  
Intelligence Conference  
Federal Bureau of Investigation  
Department of Justice  
Washington 25, D. C.

Dear Mr. Hoover:

This will acknowledge your letter of May 2nd, in which you describe your liaison policy on matters concerning counterespionage.

Your position is disappointing to me, for I feel very strongly that there are important steps which should be taken to strengthen the relationship in counterespionage activities at home and abroad. I believe that your Bureau and IIC and my Office of Special Operations are complementary to each other. Together, they should make a team to insure counterespionage coverage throughout the world. I also believe that a team of this nature must function with the utmost confidence. For these reasons I am going to ask you to review our method of liaison in the hope that under appropriate over-all supervision we can bring our respective functional desks in closer proximity. I do not believe that a single liaison channel will foster the close relationship necessary between two organizations primarily responsible for U. S. counterespionage activities against Soviet Russia.

I understand fully your hesitancy in permitting the use with certain foreign services of information developed by your Bureau, but I am convinced that this question should be explored further. U. S. security requires counterespionage information from every area. The intelligence services of those nations disposed to cooperate with us recognize that the principal target of the Soviet Union is the United States, and that the Soviet Union's principal effort is focused on this country. At the same time, their need for information which will assist them in their local problems is very great, and because of this we stand in a very good position to acquire from them information vital to our own security. It is a matter of utmost urgency that we develop methods through which we can gain increasing generosity from them in information of critical value to us. This is not barter, but reasonable cooperation for a common purpose.

FBI REVIEW COMPLETED

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ADMINISTRATION DIVISIONS

Hoover - FBI

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I well understand your concern with regard to the security of information. I share it completely. However, I am certain we will not achieve the desired objective unless we can work out closer co-operation between our respective offices and with IIC and establish more freedom in the exchange of counterintelligence information with well disposed nations. CIA will, of course, provide you in accordance with your request, with all the pertinent information from foreign sources outside the jurisdiction of IIC that we are able to obtain, but unless a basis of reciprocity and a greater measure of confidence is established I doubt very much if the flow from abroad of such information, which you describe as necessary and vital, will be either continuous or adequate.

Sincerely,

SIGNED *w. b. Smith*

WALTER B. SMITH  
DIRECTOR

OSO - 12 May 1951  
Rewritten O/DCI LBK:mlk

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UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION001-9313  
1-7871ref 1-67439  
1-6743

WASHINGTON 25, D. C.

May 2, 1951

CONFIDENTIAL  
VIA LIAISON

Lieutenant General Walter Bedell Smith  
Director  
Central Intelligence Agency  
2430 E Street, N.W.  
Washington, D.C.

Dear General Smith:

Your memorandum of April 17, 1951, concerning the IIC need for specific intelligence and counterintelligence information, has been received and considered by the Interdepartmental Intelligence Conference.

It will not be possible for the IIC agencies to furnish to you on a regular basis information of a confidential nature, or that developed from confidential sources, for use in bartering with foreign intelligence and security organizations. Where there is a specific problem or special circumstances existing, we will, of course, be glad to consider any specific requests or suggestions, and, where possible, information in such cases will be made available for your use in this manner.

When the IIC or its Subcommittee is considering a specific problem concerning the coordination of domestic intelligence with foreign intelligence matters, you will, of course, be invited to designate a representative to attend, as contemplated in the IIC Charter. Generally, however, it is felt that the appropriate media for the coordination of the intelligence on Soviet-controlled espionage activities abroad and the intelligence on such activities in this country exists in the Intelligence Advisory Committee and in the close liaison facilities which are maintained with CIA.

The IIC agencies desire to cooperate with you in any manner possible in connection with the obtaining of this vital information, which can for the most part only be obtained in the foreign field. As previously indicated, it is most urgent that

this type of information be developed as its receipt could, when considered in the light of domestic problems, possibly be the means of averting serious Communist-controlled Fifth Column or sabotage operations within our borders. It will be appreciated if you will furnish at your earliest convenience any studies or information which you may presently have in connection with the type of information listed in the IIC memorandum of February 28, 1951.

Sincerely yours,

  
Chairman

Interdepartmental Intelligence Conference

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